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SIPDIS

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E.O. 12958: N/A
TAGS: [ECON](#) [PGOV](#) [WA](#)
SUBJECT: SACU Secretariat Praises US-SACU Relationship

Summary

¶1. (SBU) A May 14 Namibian newspaper article alleged that the USG had abandoned its commitment to continuing trade discussions under the July 2008 Trade, Investment and Development Cooperation Agreement (TIDCA) signed by the United States and the Southern African Customs Union (SACU). In a public meeting on May 27, SACU Executive Secretary Tswelopele Cornelia Moremi strongly refuted the allegations. Moremi stressed that U.S.-SACU relations are good, that SACU is a major beneficiary of the African Growth and Opportunity Act (AGOA), and that trade consultations were on-going. USTR's prompt response to the initial article appears to have helped Moremi correct an inaccurate story with negative public relations potential. End Summary.

¶2. (SBU) In its May 14 edition Namibian newspaper Informante published a wildly inaccurate article titled "Obama sends SACU to hell!" Informante, a free weekly newspaper, tends to focus on sensationalist news. While its stories are often not completely accurate, the paper is free and enjoys a wide circulation. The opening sentence of the article read, "The new Barack Obama-led US administration revealed this week that it would not participate in further talks with the Southern African Customs Union (SACU) member states regarding a possible free trade agreement (FTA) between the two parties." The article implied the USG had abandoned the Trade, Investment and Development Cooperation Agreement (TIDCA) signed in July 2008, referring to the agreement in the past tense. The USG's alleged action was called a "heavy blow to SACU member countries."

¶3. (SBU) On May 27, at a meeting open to the public, SACU Executive Secretary Tswelopele Cornelia Moremi refuted the allegations made in the Informante article. Moremi, who was addressing a larger forum on the general state of the customs union, dedicated at least five minutes of her 45-minute discussion to clear the record on U.S.-SACU relations. Several media outlets attended the event, including the Namibian Broadcasting Company (the national radio and TV service).

¶4. (SBU) Moremi praised trade ties between SACU and the United States. She stressed that SACU is one of the largest beneficiaries of the African Growth and Opportunity Act (AGOA). Moremi explained that AGOA is a unilateral trade preference granted by the United States, and she underscored that sub-Saharan African countries do not reciprocate the benefits provided by the U.S. SACU pursued a Free Trade Agreement (FTA) with the United States to "lockin" AGOA's benefits, emphasized the SACU Executive Secretary. She noted that during the 2003-2007 negotiations, both sides (parties) recognized some issues were not easy to overcome, so a consensus emerged that it made sense to develop the TIDCA. Moremi explained that consultations under the TIDCA continue and that relations between SACU and U.S. are very positive and very important. She concluded by dismissing the (Informante) news article as completely inaccurate.

¶5. (SBU) On May 28, The Namibian newspaper, one of Namibia's two English-language daily newspapers, provided a mostly accurate report

of Moremi's comments. However, the Namibian article was not without error as well. The first paragraph closed with the phrase that the U.S. and SACU "will not conclude a preferential trade agreement, but will opt for an investment and trade cooperation agreement instead," implying that negotiations to reach the TIDCA were on-going.

Comment

¶6. (SBU) After we brought the Informante article to USTR's attention, USTR engaged with the SACU Secretariat to clarify the record. USTR provided assurances that the USG remains committed to the TIDCA and U.S.-SACU trade negotiations. USTR also provided the Secretariat with talking points on the benefits SACU has accrued from AGOA. USTR's prompt interventions appear to have informed SACU Executive Secretary Moremi's public comments on the state of U.S.-SACU trade relations and played a key role in correcting an inaccurate story with negative public relations potential. End Comment.
MATHIEU